Investor Overview

March 2021

Safe Harbor Statement

This presentation may contain forward-looking statements (within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended and the Israeli Securities Law, 1968) regarding Elbit Systems Ltd. and/or its subsidiaries (collectively the Company), to the extent such statements do not relate to historical or current facts. Forward-looking statements are based on management's current expectations, estimates, projections and assumptions about future events. Forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions about the Company, which are difficult to predict, including projections of the Company's future financial results, its anticipated growth strategies and anticipated trends in its business. Therefore, actual future results, performance and trends may differ materially from these forward-looking statements due to a variety of factors, including, without limitation: scope and length of customer contracts; governmental regulations and approvals; changes in governmental budgeting priorities; general market, political and economic conditions in the countries in which the Company operates or sells, including Israel and the United States among others; changes in global health and macro-economic conditions; differences in anticipated and actual program performance, including the ability to perform under long-term fixed-price contracts; changes in the competitive environment; and the outcome of legal and/or regulatory proceedings. The factors listed above are not all-inclusive, and further information is contained in Elbit Systems Ltd.'s latest annual report on Form 20-F, which is on file with the U.S. Securities and Exchange Commission. All forward-looking statements speak only as of the date of this release. Although the Company believes the expectations reflected in the forward-looking statements contained herein are reasonable, it cannot guarantee future results, level of activity, performance or achievements. Moreover, neither the Company nor any other person assumes responsibility for the accuracy and completeness of any of these forward-looking statements. The Company does not undertake to update its forward-looking statements.

Unless otherwise indicated all numbers in this presentation are as of Q4 2021.

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Elbit Systems | A Highly Innovative Global Defense Company

- Internationally diversified presence and client base
- Broad range of market leading products and technologies aligned with customer priorities
- Significant investment in R&D to generate market leading IP
- Long-term investment horizon
- Large backlog provides good visibility
- Conservative balance sheet management
- Track record of value creating M&A

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Elbit Systems at a glance

O U R V I S I O N

To be a
world-leading source
of innovative, technology-based systems
for diverse defense
and civilian applications

- ~$6bn Market cap - NASDAQ & TASE listed
- $11.0bn order backlog at Q4 20
- $4.7B revenues in 2020
- ~17,000 employees
- Headquarters in Haifa, Israel
- Subsidiaries in numerous countries

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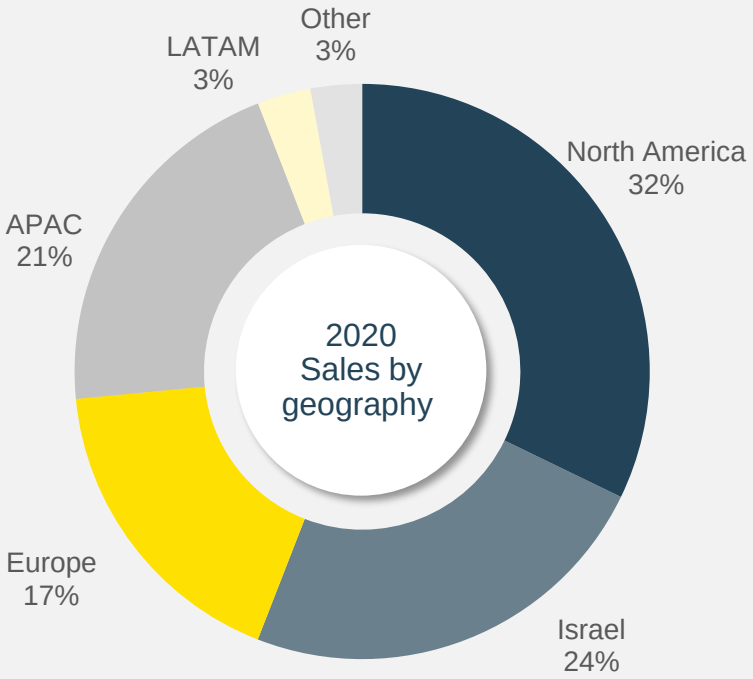
Geographically balanced customer portfolio

Our
DIVERSE CLIENT BASE
reduces exposure to defense budget fluctuations in a single country or geography



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Israel’s largest defense company

Elbit Systems develops supplies and maintains **advanced technological solutions** for the **Israel Defense Force** and Israel’s security services **in all domains,** from underwater to space.

Maintaining Israel’s technological edge

Operational imperative to develop and deploy innovative solutions quickly and effectively

Access to high quality talent pool with significant operational military experience

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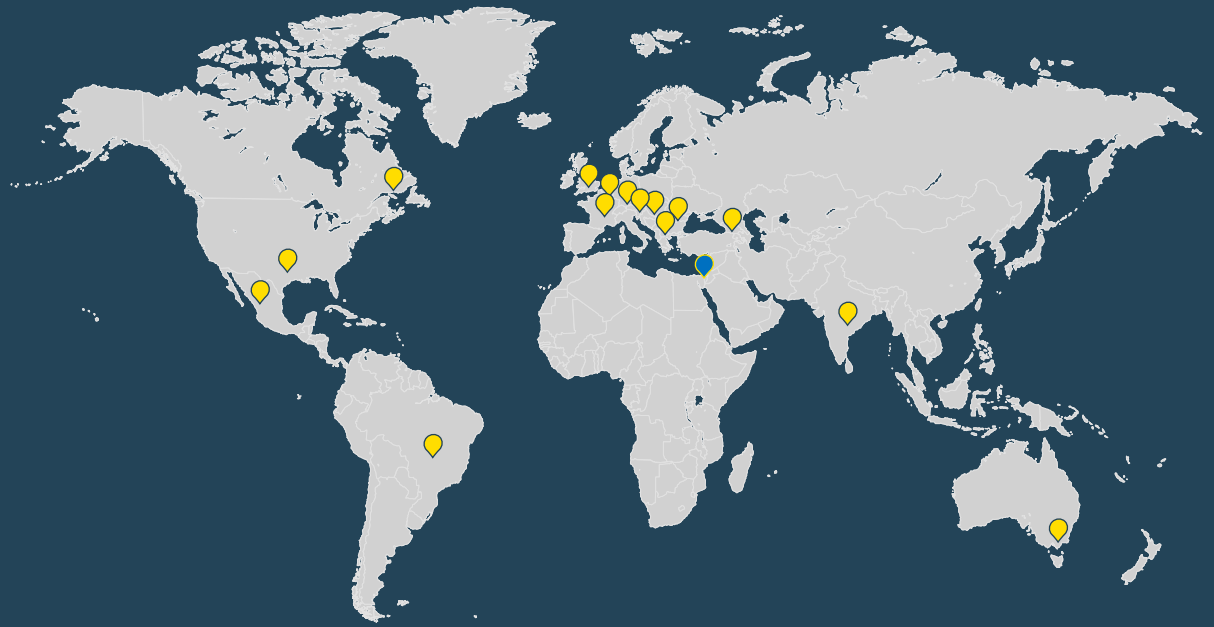
Broad global footprint

Elbit's global geographical presence **supports revenue growth** through the cycle **and reduces risk**



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The U.S. is our largest market

Building the Future

- Missile Warning Systems
- Air Launched Effects
- Guided-Munitions
- Future Soldier
  - Augmented Reality
  - Digital Night Vision
  - Tactical Networks
  - Next Generation of Target Acquisition Systems

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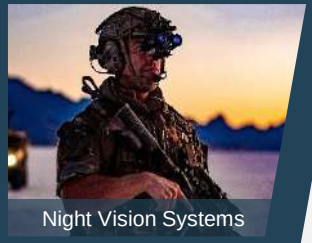
Elbit Systems™

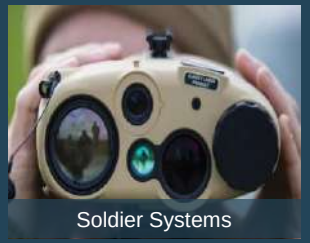
We provide advanced innovative capabilities for defense and commercial customers

Avionics & HMD

Electronic Warfare

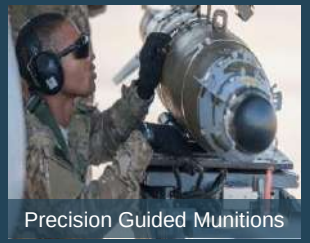

Night Vision Systems

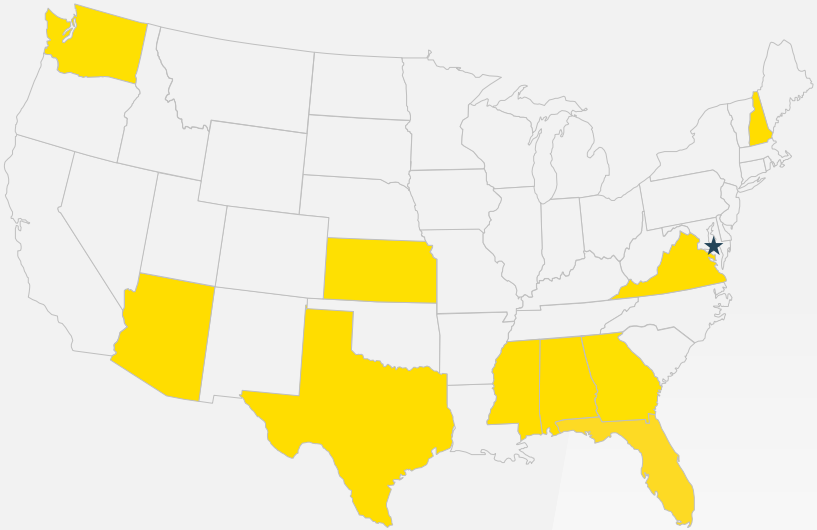
Homeland Security


Soldier Systems

Laser Designators

Indirect Fires


Precision Guided Munitions



More than
2,700 employees
in facilities
across the US

Elbit Systems™

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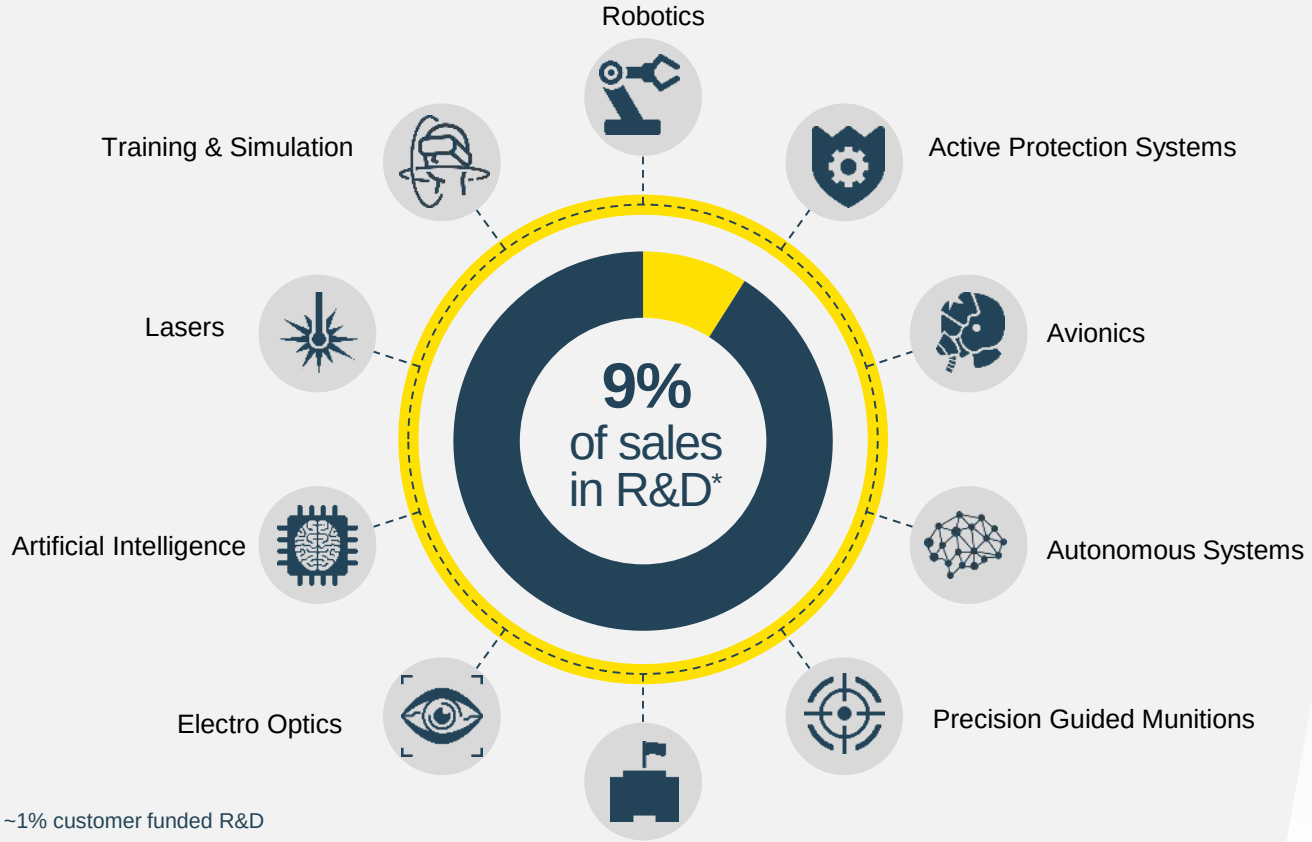
Sustained R&D investment and technology development…



* ~8% self funded and ~1% customer funded R&D

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..to develop and maintain market leading positions

Elbit Systems is a **top three global player** in multiple markets including:

DIRCM

Helicopter & Fixed-Wing HMD

Electronic Warfare

Laser Systems

Command and Control

Imaging Systems

Active Protection Systems

Tactical Radios

Artillery Systems

*Based on Elbit Systems' proprietary market analysis, competitions and contract wins.

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Areas of operations

AIR & SPACE

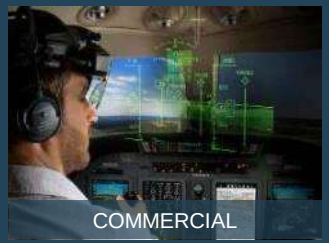
LAND

NAVAL

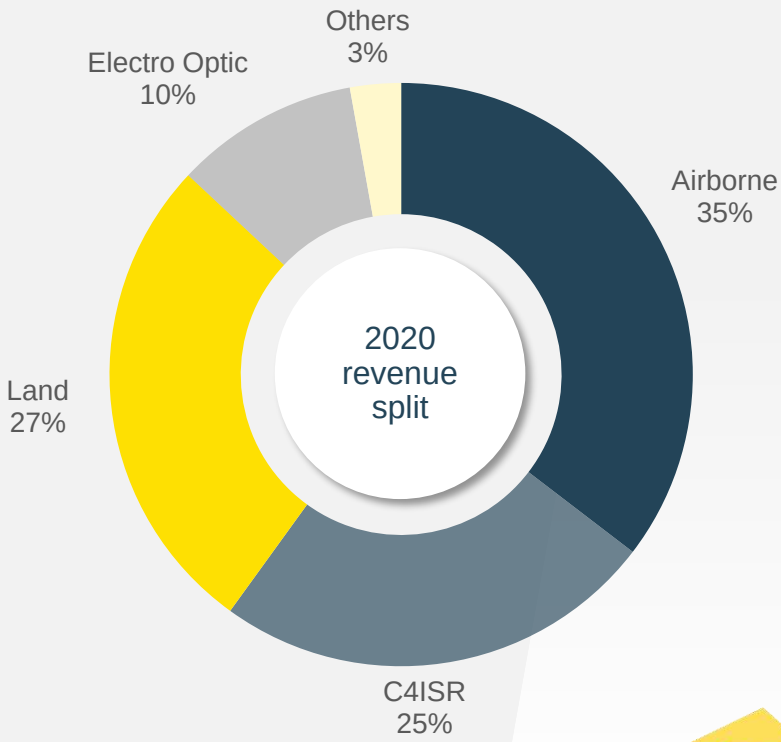
HOMELAND SECURITY

CYBER

UNMANNED


COMMERCIAL

Broad product portfolio provides solutions to **multiple domains and markets**



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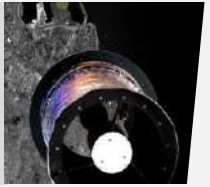
Business Lines

Airborne Systems	Helicopter & Fixed-Wing HMD		Avionics & Aircraft Upgrades		Electronic Warfare		Training & Simulation	
C⁴ISR	Command & Control Systems		Advanced Comm's & Networks		Cyber Intelligence Solutions		Unmanned Systems for Intelligence Operations	
Land	Combat Vehicle Systems		Artillery Systems		Unmanned Ground Platforms		Active Protection Systems	
Electro Optics	Visual and Thermal Imaging		Lasers & EO Counter Measures		Integrated Payloads		Space & Airborne ISR	

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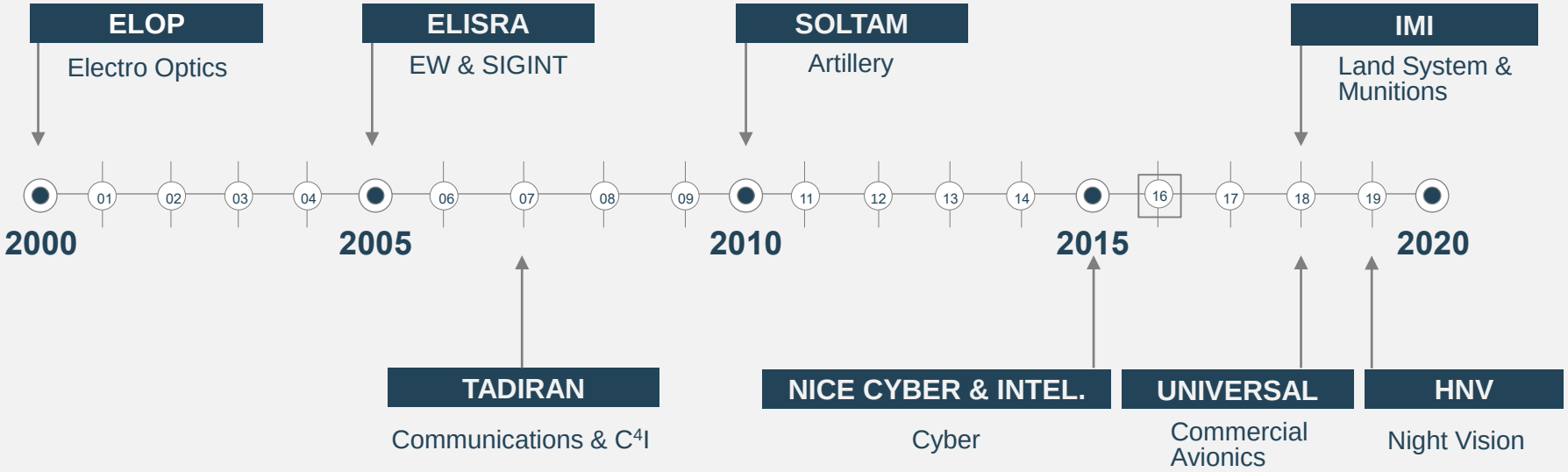
Value creating M&A | Major acquisitions



Multiple bolt-on acquisitions since 2000 to acquire technologies or market positions

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Corporate Responsibility - ESG

Ethical conduct

- Consistently receiving top ranking on the Maala Social Sustainability Index
- Elbit Systems of America recognized as an Ethisphere World's Most Ethical Company

Enhancing technological education

- 5,100 employees volunteered in their communities in 2020
- Taking part in dozens of educational programs in several countries

Preserving resources & lowering consumption

- Reducing consumption of water, energy and paper, and reducing waste generation & emissions
- Carbon Disclosure Project participant

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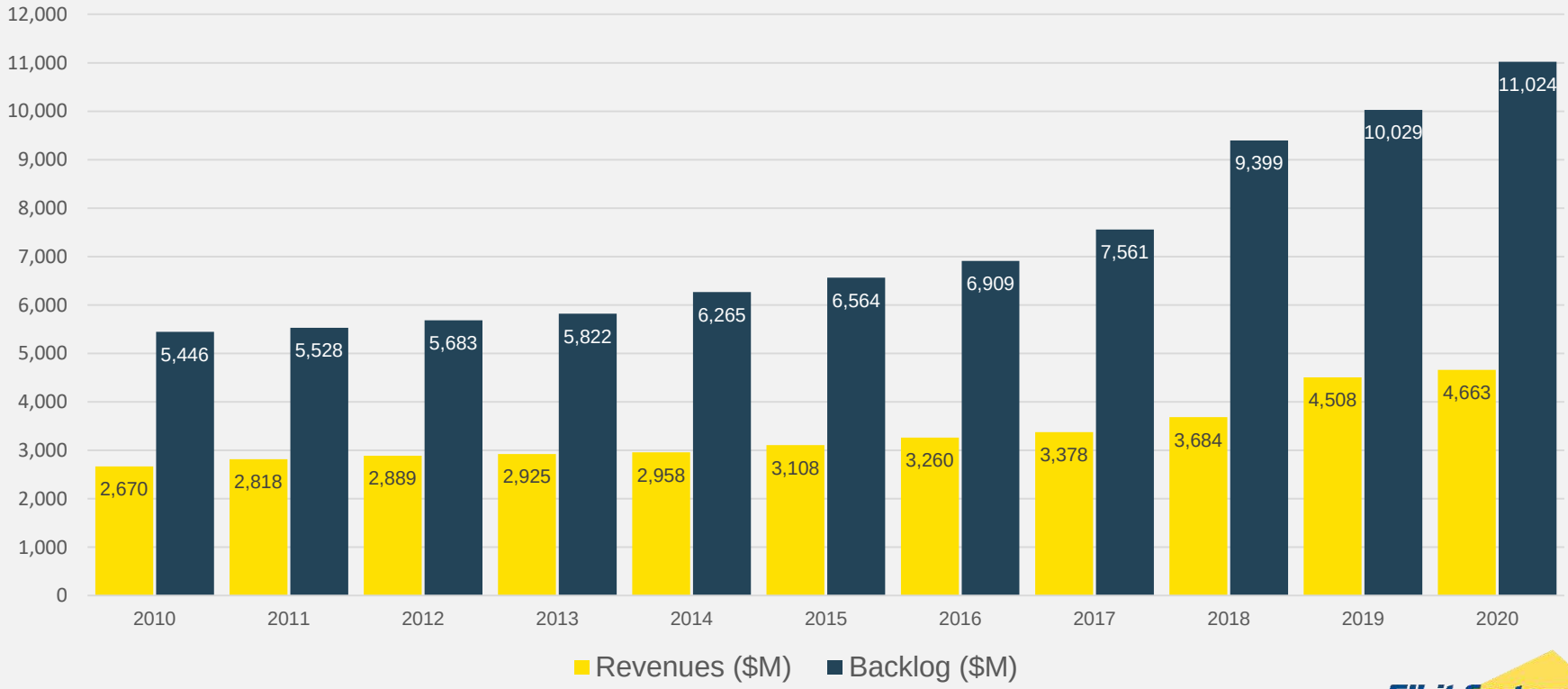
Revenues & backlog | Growth through the cycle



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Historic Financials

	2016	2017	2018	2019	2020
Sales ($M)	**3,260**	**3,378**	**3,684**	**4,508**	**4,663**
Non-GAAP Op. Profit ($M)	**328.3**	**353.0**	**340.7**	**379.7**	**390.1**
Non-GAAP Op. margin (%)	**10.1%**	**10.5%**	**9.2%**	**8.4%**	**8.4%**
GAAP Op. Profit ($M)	304.7	324.4	292.8	321.6	325.7
GAAP Op. margin (%)	9.3%	9.6%	7.9%	7.1%	7.0%
Non-GAAP EPS ($)	**5.95**	**6.41**	**6.25**	**6.79**	**7.20**
GAAP EPS ($)	5.54	5.59	4.83	5.20	5.38
DPS ($)	1.60	1.76	1.76	1.76	1.67
Operating cash Flow ($M)	208	101	192	(53)	279
Backlog ($M)	**6,909**	**7,561**	**9,399**	**10,029**	**11,024**

*For non-GAAP reconciliations reference the appendix to this presentation and Elbit Systems' investor relations website

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Appendix

Non-GAAP Financial Data

Non-GAAP financial data is presented to enable investors to have additional information on our business performance as well as a further basis for periodical comparisons and trends relating to our financial results. We believe such data provides useful information to investors by facilitating more meaningful comparisons of our financial results over time. Such non-GAAP information is used by our management to make strategic decisions, forecast future results and evaluate our current performance. However, investors are cautioned that, unlike financial measures prepared in accordance with GAAP, non-GAAP measures may not be comparable with the calculation of similar measures for other companies.

The non-GAAP financial data below includes reconciliation adjustments regarding non-GAAP gross profit, operating income, net income and diluted EPS. In arriving at non-GAAP presentations, companies generally factor out items such as those that have a non-recurring impact on the income statements, various non-cash items, including significant exchange rate differences, significant effects of retroactive tax legislation, changes in accounting guidance and other items and financial transactions not considered to be part of regular ongoing business, which, in management's judgment, are items that are considered to be outside the review of core operating results. In our non-GAAP presentation, we made certain adjustments as indicated in the table below.

These non-GAAP measures are not based on any comprehensive set of accounting rules or principles. We believe that non-GAAP measures have limitations in that they do not reflect all of the amounts associated with our results of operations, as determined in accordance with GAAP, and that these measures should only be used to evaluate our results of operations in conjunction with the corresponding GAAP measures. Investors should consider non-GAAP financial measures in addition to, and not as replacements for or superior to, measures of financial performance prepared in accordance with GAAP.

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Reconciliation of GAAP to Non-GAAP (Unaudited) Supplemental Financial Data:
(US Dollars in millions, except for share and per share amount)

	Years Ended December 31,				
	2016	**2017**	**2018**	**2019**	**2020**
GAAP gross profit	**965.3**	**1,003.1**	**976.2**	**1,136.5**	**1,165.1**
Adjustments:					
Amortization of purchased intangible assets	31.2	22.2	19.1	22.0	22.7
Covid-19 related expenses and write-offs	—	—	—	—	56.0
Expenses related to acquisitions	—	—	66.6	55.0	—
Impairment of long-lived assets	—	—	—	—	3.4
Non-GAAP gross profit	**996.5**	**1,025.3**	**1,061.9**	**1,213.5**	**1,247.2**
Percent of revenues	*30.4%*	*30.4%*	*28.8%*	*26.9%*	*26.7%*
GAAP operating income	**304.7**	**324.4**	**292.8**	**321.6**	**325.7**
Adjustments:					
Amortization of purchased intangible assets	41.2	28.6	26.5	36.1	39.4
Covid-19 related expenses and write-offs	—	—	—	—	56.6
Expenses related to acquisitions	—	—	66.8	55.0	—
Impairment of long-lived assets	—	—	—	—	3.4
Gain from change in holdings	(17.6)	—	(45.4)	(1.2)	—
Capital gain	—	—	—	(31.8)	(35.0)
Non-GAAP operating income	**328.3**	**353.0**	**340.7**	**379.7**	**390.1**
Percent of revenues	*9.9%*	*10.5%*	*9.2%*	*8.4%*	*8.4%*

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Reconciliation of GAAP to Non-GAAP (Unaudited) Supplemental Financial Data:
(US Dollars in millions, except for share and per share amount)

	Years Ended December 31,				
	2016	**2017**	**2018**	**2019**	**2020**
GAAP net income attributable to Elbit Systems' shareholders	**236.9**	**239.1**	**206.7**	**227.9**	**237.7**
Adjustments:					
Amortization of purchased intangible assets	41.2	28.6	26.5	36.1	39.4
Covid-19 related expenses and write-offs	—	—	—	—	56.6
Expenses related to acquisitions	(3.9)	—	66.8	55.0	—
Gain from changes in holdings	(16.4)	—	(45.4)	(1.2)	—
Capital gain	—	—	—	(31.8)	(35.0)
Revaluation of investment measured under fair value option	—	—	—	(8.3)	(20.8)
Impairment of investments and long-lived assets	2.5	—	17.6	3.7	7.9
Non-operating foreign exchange losses	—	—	3.4	24.6	33.4
Tax effect and other tax items, net	(6.1)	6.2	(8.1)	(8.2)	(0.7)
Non-GAAP net income attributable to Elbit Systems' shareholders	**254.2**	**273.9**	**267.5**	**297.8**	**318.5**
Percent of revenues	*7.8%*	*8.1%*	*7.3%*	*6.6%*	*6.8%*
GAAP diluted net EPS	**5.54**	**5.59**	**4.83**	**5.20**	**5.38**
Adjustments, net	0.41	0.82	1.42	1.59	1.82
Non-GAAP diluted net EPS	**5.95**	**6.41**	**6.25**	**6.79**	**7.20**

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THANK YOU

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